

Report

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Report to:	Enterprise Resources Committee
Date of Meeting:	17 March 2010
Report by:	Executive Director (Finance and Information Technology Resources) Executive Director (Enterprise Resources)

Subject:	Enterprise Resources - Revenue Budget Monitoring 2009/2010
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2009 to 22 January 2010 for Enterprise Resources
- ♦ provide a forecast for the year to 31 March 2010.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the overspend on Enterprise Resources' revenue budget of £0.169 million (0.49%), as detailed in Appendix A of the report, be noted
- (2) that, following the probable outturn exercise, the forecast to 31 March 2010 of an overspend of £0.196 million be noted
- (3) that the proposed budget virements, as detailed in the appendices to the report, be approved.

3. Background

- 3.1. This is the third revenue budget monitoring report presented to the Enterprise Resources Committee for the financial year 2009/2010.
- 3.2. The report details the financial position for Enterprise Resources in Appendix A, and then details the individual services, along with variance explanations, in Appendices B to G.

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. As at 22 January 2010, the variance from phased budget to date is an overspend of £0.169 million (0.49%).
- 5.2. Following the probable outturn exercise, the financial forecast to 31 March 2010 is an overspend of £0.196 million. This is offset by an increased surplus in the Roads Trading Operation of £0.200 million.

6. Other Implications

6.1. None

7. Equality Impact Assessment and Consultation Arrangements

7.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

7.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Linda Hardie

Executive Director (Finance and Information Technology Resources)

Colin McDowall

Executive Director (Enterprise Resources)

2 February 2010

Link(s) to Council Values and Objectives

♦ Value: Accountable, Effective and Efficient

Previous References

♦ Enterprise Resources Committee, 20 January 2010

List of Background Papers

♦ Financial ledger and budget monitoring results to 22 January 2010

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Lorraine O'Hagan, Accounting and Budgeting Manager

Ext: 4617 (Tel: 01698 454617)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 January 2010 (No.11)

Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	18,161	18,038	123	14,438	14,369	69	under	0.5%	
Property Costs	977	974	3	886	889	(3)	over	(0.3%)	
Supplies & Services	2,333	2,707	(374)	1,580	1,727	(147)	over	(9.3%)	
Transport & Plant	110	110	0	93	95	(2)	over	(2.2%)	
Administration Costs	1,014	981	33	802	828	(26)	over	(3.2%)	
Payments to Other Bodies	20,022	20,315	(293)	16,258	16,376	(118)	over	(0.7%)	
Payments to Contractors	23,960	23,047	913	14,845	14,132	713	under	4.8%	
Transfer Payments	348	348	0	348	348	0	-	0.0%	
Financing Charges	253	283	(30)	231	222	9	under	3.9%	
Total Controllable Exp.	67,178	66,803	375	49,481	48,986	495	under	1.0%	
Total Controllable Inc.	(23,716)	(23,145)	(571)	(14,643)	(13,979)	(664)	under recovered	(4.5%)	
Net Controllable Exp.	43,462	43,658	(196)	34,838	35,007	(169)	over	(0.5%)	

Variance Explanations

Variance explanations are shown in Appendices B-G as appropriate.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 January 2010 (No.11)

Planning and Building Standards

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,806	3,619	187	3,090	2,944	146	under	4.7%	1
Property Costs	38	46	(8)	36	43	(7)	over	(19.4%)	
Supplies & Services	85	147	(62)	72	83	(11)	over	(15.3%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,057	1,038	19	191	175	16	under	8.4%	a
Payments to Other Bodies	140	150	(10)	72	81	(9)	over	(12.5%)	
Payments to Contractors	300	300	0	300	305	(5)	over	(1.7%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	50	72	(22)	46	46	0	-	0.0%	
Total Controllable Exp.	5,476	5,372	104	3,807	3,677	130	under	3.4%	
Total Controllable Inc.	(3,663)	(2,854)	(809)	(3,237)	(2,521)	(716)	under recovered	(22.1%)	2
Net Controllable Exp.	1,813	2,518	(705)	570	1,156	(586)	over	(102.8%)	

Variance Explanations**1. Employee Costs**

The underspend relates to vacancies as a result of staff turnover.

2. Income

The under recovery in income is due to a reduction in the number of planning and building warrant applications submitted.

Budget Virements

- a. Transfer from Central Funds for Local Plan Inquiry: Administration Costs £0.060m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 January 2010 (No.11)

Regeneration

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	2,416	2,283	133	1,819	1,689	130	under	7.1%	1
Property Costs	0	6	(6)	0	5	(5)	over	n/a	
Supplies & Services	44	51	(7)	36	38	(2)	over	(5.6%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	510	508	2	44	47	(3)	over	(6.8%)	
Payments to Other Bodies	4,975	5,118	(143)	2,771	2,775	(4)	over	(0.1%)	
Payments to Contractors	0	60	(60)	0	52	(52)	over	n/a	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	28	28	0	25	22	3	under	12.0%	
Total Controllable Exp.	7,973	8,054	(81)	4,695	4,628	67	under	1.4%	
Total Controllable Inc.	(3,287)	(3,571)	284	(1,107)	(1,217)	110	over recovered	9.9%	3
Net Controllable Exp.	4,686	4,483	203	3,588	3,411	177	under	4.9%	

Variance Explanations**1. Employee Costs**

The underspend relates to vacancies as a result of staff turnover.

2. Payment to Contractors

The overspend is due to costs relating to the EK Masterplan, and will be met within the overall budget.

3. Income

This over recovery is due to higher than anticipated income within Economic Development for the Business Support Programme and Tourism. This income is offset by additional expenditure within Payments to Other Bodies. There is only a small overspend across Payments to Other Bodies as the additional expenditure in Economic Development is offset by underspends in the other services within Regeneration.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 January 2010 (No.11)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,036	3,052	(16)	2,467	2,472	(5)	over	(0.2%)	
Property Costs	42	33	9	39	34	5	under	12.8%	
Supplies & Services	144	146	(2)	121	124	(3)	over	(2.5%)	
Transport & Plant	7	7	0	6	6	0	-	0.0%	
Administration Costs	(2,480)	(2,492)	12	219	208	11	under	5.0%	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	67	36	31	67	39	28	under	41.8%	
Total Controllable Exp.	816	782	34	2,919	2,883	36	under	1.2%	
Total Controllable Inc.	(816)	(764)	(52)	(45)	(16)	(29)	under recovered	(64.4%)	1
Net Controllable Exp.	0	18	(18)	2,874	2,867	7	under	0.2%	

Variance Explanations**1. Income**

The under recovery is due to lower than anticipated recovery of income from Legal fees.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 January 2010 (No.11)

Estates

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,403	1,434	(31)	1,143	1,159	(16)	over	(1.4%)	
Property Costs	329	301	28	275	251	24	under	8.7%	1
Supplies & Services	31	30	1	30	28	2	under	6.7%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	324	324	0	14	14	0	-	0.0%	
Payments to Other Bodies	95	112	(17)	95	112	(17)	over	(17.9%)	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	27	30	(3)	20	20	0	-	0.0%	
Total Controllable Exp.	2,209	2,231	(22)	1,577	1,584	(7)	over	(0.4%)	
Total Controllable Inc.	(2,892)	(2,948)	56	(2,296)	(2,295)	(1)	under recovered	0.0%	a
Net Controllable Exp.	(683)	(717)	34	(719)	(711)	(8)	over	1.1%	

Variance Explanations**1. Property Costs**

The underspend is due to less than anticipated expenditure within Surplus Property as a result of more efficient working practices. This underspend will be used to offset overspends within the overall budget.

Budget Virements

a Transfer from Reserves for remedial works on the retaining wall at Glenburn Road, East Kilbride: Income £0.060m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 January 2010 (No.11)

Roads Total

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,512	5,662	(150)	4,478	4,664	(186)	over	(4.2%)	1
Property Costs	543	563	(20)	519	539	(20)	over	(3.9%)	
Supplies & Services	1,870	2,174	(304)	1,280	1,413	(133)	over	(10.4%)	2
Transport & Plant	103	103	0	87	89	(2)	over	(2.3%)	
Administration Costs	1,528	1,528	0	318	368	(50)	over	(15.7%)	
Payments to Other Bodies	10,081	10,204	(123)	9,830	9,918	(88)	over	(0.9%)	3
Payments to Contractors	23,660	22,687	973	14,545	13,775	770	under	5.3%	4
Transfer Payments	348	348	0	348	348	0	-	0.0%	
Financing Charges	77	113	(36)	69	91	(22)	over	(31.9%)	
Total Controllable Exp.	43,722	43,382	340	31,474	31,205	269	under	0.9%	
Total Controllable Inc.	(6,076)	(6,026)	(50)	(2,949)	(2,921)	(28)	under recovered	(0.9%)	
Net Controllable Exp.	37,646	37,356	290	28,525	28,284	241	under	0.8%	

Variance Explanations**1. Employee Costs**

This overspend is due to the costs of early retirees and also the recruitment of additional graduates which will be offset by additional income.

2. Supplies and Services

The overspend is due to higher than budgeted hardware, software and licence costs.

3. Payments to Other Bodies

This overspend is due to higher charges for school crossing patrols due to new patrols being added in 2009/10.

4. Payments to Contractors

The underspend is due to less than anticipated recharges from Trading Services as more work has been carried out on the capital programme.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 January 2010 (No11)

Fairer Scotland Fund

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10	% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000		
<u>Budget Category</u>								
Employee Costs	1,988	1,988	0	1,441	1,441	0	-	n/a
Property Costs	25	25	0	17	17	0	-	n/a
Supplies & Services	159	159	0	41	41	0	-	n/a
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	75	75	0	16	16	0	-	n/a
Payments to Other Bodies	4,731	4,731	0	3,490	3,490	0	-	n/a
Payments to Contractors	0	0	0	0	0	0	-	n/a
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	4	4	0	4	4	0	-	n/a
Total Controllable Exp.	6,982	6,982	0	5,009	5,009	0	-	n/a
Total Controllable Inc.	(6,982)	(6,982)	0	(5,009)	(5,009)	0	-	n/a
Net Controllable Exp.	0	0	0	0	0	0	-	n/a